## Basic information

| | |
|---|---|
| **2005/2118(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2004 discharge: European Aviation Safety Agency<br>**Subject**<br>8.70.03.07 Previous discharges | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| CONT Budgetary Control | GUIDONI Umberto (GUE/NGL) | 20/04/2005 |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| TRAN Transport and Tourism | CRAMER Michael (Verts/ALE) | 07/12/2005 |

### Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| Economic and Financial Affairs ECOFIN | 2716 | 2006-03-14 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 30/03/2005 | Non-legislative basic document published | N6-0013/2005 | Summary |
| 19/01/2006 | Committee referral announced in Parliament | | |
| 21/03/2006 | Vote in committee | | Summary |
| 27/03/2006 | Committee report tabled for plenary | A6-0104/2006 | |
| 26/04/2006 | Debate in Parliament | | |
| 27/04/2006 | Decision by Parliament | T6-0179/2006 | Summary |
| 27/04/2006 | Results of vote in Parliament | | |

| | | | |
|---|---|---|---|
| 27/04/2006 | End of procedure in Parliament | | |
| 06/12/2006 | Final act published in Official Journal | | |

## Technical information

| | |
|---|---|
| **Procedure reference** | 2005/2118(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Legal basis** | Rules of Procedure EP 102 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/6/28457 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE367.992 | 03/02/2006 | |
| Committee opinion | TRAN | PE367.831 | 23/02/2006 | |
| Amendments tabled in committee | | PE370.240 | 28/02/2006 | |
| Committee report tabled for plenary, single reading | | A6-0104/2006 | 27/03/2006 | |
| Text adopted by Parliament, single reading | | T6-0179/2006 | 27/04/2006 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Supplementary non-legislative basic document | 05972/2006 | 06/02/2006 | Summary |

**Other institutions and bodies**

| Institution/body | Document type | Reference | Date | Summary |
|---|---|---|---|---|
| OS | Non-legislative basic document | N6-0013/2005<br>OJ C 269 28.10.2005, p. 0005 | 30/03/2005 | Summary |
| CofA | Court of Auditors: opinion, report | N6-0001/2006<br>OJ C 332 28.12.2005, p. 0001-0007 | 05/10/2005 | Summary |

## Additional information

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

Final act

Budget 2006/0844
OJ L 340 06.12.2006, p. 0128-0128 Summary

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 14/03/2006

The Council approved, without discussion, recommendations to the European Parliament on the discharge to be given to the directors of the following Community bodies for execution of the 2004 budget:

- European Agency for Safety and Health at Work
- European Environment Agency
- European Training Foundation
- European Foundation for the Improvement of Living and Working Conditions
- European Maritime Safety Agency
- Eurojust
- European Food Safety Authority
- European Centre for the Development of Vocational Training
- Translation Centre for the Bodies of the European Union
- European Medicines Agency
- European Monitoring Centre on Racism and Xenophobia
- European Monitoring Centre for Drugs and Drugs Addiction
- European Aviation Safety Authority
- European Agency for Reconstruction

(for details of the Council recommendations, please refer to the respective summaries of 6 February 2006).

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 05/10/2005 - Court of Auditors: opinion, report

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Aviation Safety Agency for the financial year ended 31 December 2004.

The Court has obtained reasonable assurance that the Agency’s accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Agency’s annual accounts, taken as a whole, are legal and regular. The observations which follow do not call the Court’s opinion into question.

The report states that the appropriations entered in the final budget amount to EUR 11 337 000 with EUR 8 997 000 committed and EUR 7 609 000 p aid. EUR 1 388 000 was carried over to 2005, and EUR 2 340 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 2 912 000.

The Court observes that, contrary to the budgetary principle of specificity, the Agency’s initial budget and its amending budgets do not give a breakdown of appropriations in terms of articles and items, as required by the Agency’s financial regulation.

The revenue and expenditure account for the financial year 2003 showed a loss of EUR 214 000. In accordance with the provisions of the Agency’s financial regulation, this outturn ought to have been entered in an amending budget for 2004.

Furthermore, the budgetary management suffers from a number of anomalies: a lack of any indication in the amending budgets about the transfers carried out or even of any reasons for these transfers, failure to inform the Management Board about the transfers, and payment of advances outside the budget.

The Agency has not yet adopted the implementing rules for its financial regulation. Neither has it carried out any risk analysis or prepared any internal control standards.

The staff selection procedures are not laid down formally and vary from one selection to another without any apparent reason. In order to improve the transparency of the decisions taken in this regard, the Agency needs to formalise its recruitment procedures and make them more consistent.

The Agency responds point by point to the Court’s observations. The budget for the financial year 2005 and the preliminary draft budget for 2006 were adopted with the breakdown required by the regulations.

The Agency has taken into account the loss recorded in 2003 in the revenue and expenditure account for the financial year 2004. As the outturn recorded in 2004 was positive, it ought not to have to be entered in an amending budget.

All decisions on transfers in the financial year 2004 were reasoned, with the exception of the first two. The Agency has taken the necessary steps to avoid the situations described by the Court from recurring.

The implementing rules for the Agency's financial regulation were adopted by its Management Board on 14 June 2005. A risk manager/internal auditor, whose main task shall be to carry out risk analysis and prepare internal control standards, is being recruited.

Finally, the Agency states that it will endeavour to improve the transparency of its recruitment procedures, in particular by drawing up manuals of procedure.

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 27/04/2006 - Final act

PURPOSE: to grant discharge to the European Aviation Safety Agency for the financial year 2004.

LEGISLATIVE ACTS: Decisions 2006/844/EC and 2006/845/EC of the European Parliament on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004 and closure of accounts for the year in question.

CONTENT: with the present decisions, the European Parliament grants discharge to the Executive Director of the European Aviation Safety Agency for the implementation of the Agency's budget for the financial year 2004 and approves the closure of the accounts.

This decision is in line with the European Parliament's resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 30/03/2005 - Non-legislative basic document

PURPOSE : presentation of the final accounts of the European Aviation Safety Agency for the financial year 2004.

CONTENT : this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2004 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 11,3 million (in comparison to EUR 4,8 million in 2003) representing a 98% Community contribution. The remaining 2% was contributed by the Federal Republic of Germany (EUR 200 000).

As regards the staffing policy, the Agency, whose headquarters are now based in Cologne (Germany), set out a total of 95 posts in the establishment plan. 84 of these posts are currently occupied + 18 other posts totalling 102 (17 in 2003) assigned to operational, administrative and mixed tasks. Staff expenditure accounted for EUR 5 556 000.

The Agency, set up in 2002 by Regulation 1592/2002/EC, was temporarily based in Brussels in 2003 therefore this is the first operational year in its new headquarters.

Its activities mainly consisted of implementing the missions set out in Regulation 1592/2002/EC, such as:

-issuing opinions addressed to the Commission (5 in 2004);

-making one amendment to Agency certification specifications;

-concluding international cooperation agreements with Brazil, China, Canada , Israel and the Aeronautical Committee of the Commonwealth of Independent States (CIS);

-issuing certification decisions on airworthiness and environmental certification : several thousand in 2004.

The total operational expenditure represented EUR 2 081 000. The Agency presented a negative operating outturn of EUR 782 000 for the entire financial year.

It should be noted that a complete version of the final accounts may be found at the following address:

http://www.easa.eu.int/home/finance_en.html

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 27/04/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Umberto **GUIDONI** (GUE/NGL, IT) and granted discharge to the Executive Director of the European Aviation Safety Agency for the implementation of the Agency's budget for the financial year 2004. The resolution was adopted by 520 votes in favour to 44 against with 14 abstentions.

In its accompanying comments, Parliament was concerned by the anomalies noted by the Court of Auditors in budgetary management, including a lack of any indication in the amending budgets about transfers carried out or about the reasons for these transfers and a failure to inform the Management Board about transfers and payment of advances outside the budget. It welcomed the steps taken by the Agency to improve budgetary management.

It also noted that staff selection procedures at the Agency had varied from one round of selections to another and urged the Commission and the Agency to agree on a transparent and coherent recruitment procedure consistent with the Agency's needs in terms of specifically qualified personnel. Parliament was pleased to note the Agency's assurance that recruitment procedures will be formalised by the drawing up of manuals of procedure in order to improve the transparency of decisions taken in this regard and to avoid apparently arbitrary variations in staff selection procedures, as stressed by the Court of Auditors.

Parliament remarked that over 70 % of the Commission's subsidy to the Agency was implemented under titles I and II, which concern personnel and administrative expenses only, and that, in operational expenditure, the Agency spent only about 10 % of the Commission's subsidy. The increase from 2003 to 2004 in expenditure on personnel and administration was much greater than the increase in operational expenditure.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities.

Parliament noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities" agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.

# 2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 06/02/2006

Having examined the Agency’s revenue and expenditure account and the observations made by the Court of Auditors, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2004.

In doing so, the Council confirms that EUR 1.7 million (59 %) of the EUR 2.9 million in appropriations carried over from the financial year 2003 to the financial year 2004, have been used. In addition, EUR 1.4 million in appropriations have been carried forward from the financial year 2004 to the financial year 2005 and EUR 3.5 million have been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- § calls on the Agency to follow the Court's remarks regarding budgetary management in particular as regards amending budgets, transfers and payment of advances outside the budget, and full compliance with the budgetary principle of specificity;
- § calls on the Agency to take the appropriate measures in order to improve its recruitment procedures. It expects that weaknesses will be addressed as soon as possible;
- § asks the Agency to develop the internal control standards and to carry out an adequate risk analysis.